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S E C R E T SECTION 01 OF 03 TEL AVIV 001843

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TAGS: PREL PTER ECON KWBG KPAL ASEC EG IS GOI EXTERNAL ISRAELI PALESTINIAN AFFAIRS SUBJECT: OLMERT TO SEEK U.S. VIEWS ON CONVERGENCE PLAN IN

WASHINGTON

REF: TEL AVIV 1730

Classified By: Ambassador Richard H. Jones, reasons 1.4 (b) and (d).

11. (S) Summary: According to Brig. Gen. (res.) Baruch Spiegel, Prime Minister Ehud Olmert has a large agenda for his discussions in Washington scheduled for May 23, including the so-called convergence plan. Spiegel claimed that the &plan8 is less a detailed strategy, than a general policy. He indicated that Olmert will seek Washington,s feedback on convergence. Spiegel said Olmert will likely raise U.S. funding for scanners and other assistance for the crossings if the funding is still being blocked by the time he goes to Washington. The GOI still has not reached a decision regarding contacts with PA officials working in entities under Mahmud Abbas, although the new minister of defense Amir Peretz is likely to decide on his position following a May 11 meeting that will also deal with the status of the crossings, Spiegel said. In Spiegel,s view, Defense Minister Peretz will take a more humanitarian approach than did former Defense Minister Shaul Mofaz, and MOD officials will feel more confident in voicing their views. If Olmert really will be seeking U.S. views, this may be a good opportunity to encourage engagement with Abbas and influence Olmert's own views on unilateral disengagement from the West Bank. End summary and comment.

OLMERT TRIP TO WASHINGTON

- 12. (S) Brig. Gen. (res.) Baruch Spiegel on May 8 briefed Embassy Political and Economic counselors on preparations for PM Olmert,s trip to Washington. Spiegel said that Olmert would have a big agenda for his discussions with the President. Topics included convergence, Iran, Syria, Palestinians, the EU, the separation barrier, health issues, and global terrorism. Spiegel doubted that Olmert will have specific details of a convergence plan, and said that, to his knowledge, no detailed plans have been formulated. (Note: Deputy head of the national Security Council Eran Etzion separately told Econ counselor that no interagency team below the level of minister has met to plot out specific parameters of a convergence plan. End note.) He predicted that Olmert will instead share his general policy on withdrawal from the West Bank. Spiegel said that he has prepared detailed briefing material for Olmert on crossings, Gaza humanitarian issues, Mahmud Abbas, and other issues and there will be a preparation meeting for the PM prior to his departure.
- 13. (C) Spiegel said that it was clear from his recent trip to Washington that the U.S. is taking a potentially harder line than Israel on assistance. For example, he said, the U.S. is opposed to paying salaries of health care workers or other civil servants. The GOI still does not have a position. In addition, Spiegel said, the funding for scanners and other assistance linked to the crossings has been blocked along with assistance projects for the PA. While the aid for the crossings will be reevaluated, he said, the GOI had hoped that this assistance would not be lumped with the other. Spiegel said that if this issue is not solved before Olmert,s trip, the PM will likely raise it in Washington.

GOI CONTACT WITH ABBAS

14. (C) Spiegel said that he is still waiting for instructions regarding contact with PA officials, including those working in entities under the president. Spiegel noted that Saeb Erekat wanted to meet prior to his trip to Moscow. (Note: Erekat called Spiegel during the May 8 meeting. End note.) Spiegel stressed, however, that no meeting is possible without official instructions from the GOI political level. He said this affects GOI participation in the security working group, mentioned in the Agreement on Movement and Access. He said the current GOI policy is not to have a &double-headed government8 approach to the PA where it is permissible to talk to Abbas, but not to Hamas. Spiegel revealed that there are differing ideas on which approach to take with the PA, with Olmert, FM Livni, and

others each having their own views. He said that FM Livni is not supportive of cooperating with Mahmud Abbas. Spiegel said that there will be an internal meeting on May 10 with new MOD Peretz where the status of the crossings and the relationship with PA officials will be discussed. After the MOD has a position, then it can be discussed further at the highest level. Spiegel said he hopes the government would make a policy decision on contacts before Olmert,s trip to the U.S.

 $\P5.$ (S) Spiegel speculated that Peretz will be different from Mofaz. He said that Peretz has a more open social and humanitarian agenda that encompasses both Israelis and Palestinians. Spiegel cited as an example Peretz, decision to implement a plan, developed earlier this year, to allow 8,000 workers from the West Bank to enter Israel, although he noted that Mofaz likely would have signed the order except for the recent terrorist attack in Tel Aviv. Because of this change in ministers, he said, COGAT Head Gen. Mishlev may receive more support from the Ministry, and others would likely be braver in voicing their views. Spiegel did not expect, however, to receive clear instructions regarding closures and access until Olmert returns from Washington.

CONVERGENCE PLAN/OUTPOSTS/HEBRON

- 16. (S) Spiegel said that the label &convergence plan8 is a misnomer, because there is no specific detailed plan on pulling back from parts of the West Bank. He said the government is looking at the size and location of the settlement blocks. One proposal, he said, would involve moving 60,000-70,000 settlers. Spiegel said he prepares and continually updates all the information about the settlements that the government needs to reach its decision. He said that he had written a recommendation that his job be split, with COGAT responsible for the crossings and a special administrative unit, possibly headed by a civilian, to cover closures. He had also recommended that a special interagency team work on convergence and use the data he compiles as a reference. Olmert will seek feedback on the convergence idea during his trip to Washington, Spiegel said.
- ¶7. (C) Regarding the recent removal of three settler families from a house in Hebron, Spiegel said that the operation had gone relatively smoothly, because the GOI had learned from its experience in Amona. He said that in Hebron there had been more dialogue, including with settler leaders, and less physical force used. He said the GOI took the decision to remove the families immediately after the court had found that they were there illegally. He said the settlers would not be allowed to return.

CUSTOMS PROTOCOL

(C) Spiegel said that EU-BAM Head of Mission General Pietro Pistolese had recently passed him a report of a meeting on Rafah with Saeb Erekat, which mentions that Erekat has signed the letter regarding the customs protocol. Spiegel noted that FM Livni "informally" had received a letter regarding the customs protocol from the Ambassador. According to Spiegel, a customs protocol will be a practical benefit to all the crossings, if both sides are able to sign. It would eventually permit imports through Rafah and would help clear up the bottleneck at Karni. Spiegel applauded

General Dayton,s efforts to improve security at the crossings and work with the Palestinians to prevent kassam attacks.

TUNNEL DETECTION SYSTEMS

(C) Spiegel said he regretted not having the opportunity to visit a location with a tunnel detection system during his recent trip to Washington. He mentioned that the IDF Chief of Engineers is planning a visit to the U.S. and would like to view such a system. Spiegel said the Israeli defense attach and consul are the points of contact for this issue (reftel). He hoped that the U.S. security expert who will be traveling to the region this month will be able to visit

COMMENT

Israel.

10. (C) If Spiegel is correct that Olmert will be listening as well as transmitting during his first visit to Washington as Prime Minister, then the U.S. has a good opportunity still to influence his thinking about unilateral disengagement from the West Bank and to encourage Israeli engagement with Mahmud Abbas and officials under him.

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JONES